

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

0210 1 0175

AT RICHMOND, OCTOBER 4, 2002

PETITION OF

VERIZON SOUTH INC.

CASE NO. PUC-2001-00220

For Extended Local Service
from Verizon South Inc.'s
Jewell Ridge Exchange to its
Big Prater, Richlands, and
Tazewell Exchanges and to Verizon
Virginia Inc.'s Davenport, Honaker,
and Lebanon Exchanges

2002 OCT 14 PM 1:32

FINAL ORDER

On February 22, 2001, telephone customers in Verizon South Inc.'s ("Verizon South") Jewell Ridge Exchange petitioned the State Corporation Commission ("Commission") for extended local service ("ELS") to Verizon South's Big Prater, Richlands, and Tazewell Exchanges and Verizon Virginia Inc.'s ("Verizon Virginia") Davenport, Honaker, and Lebanon Exchanges.¹ On October 24, 2001, the Commission Staff accepted a cost study from Verizon South that was used to estimate the approximate change in monthly rates that would result from the extension of local calling.

¹ Although the Jewell Ridge Exchange Petitioners included Tazewell and Richlands in their petition, Jewell Ridge has existing ELS with the exchanges of Tazewell and Richlands. Those exchanges were not, therefore, included in the cost study, original ballot, or Order Prescribing Notice and will not, therefore, be addressed in this proceeding.

On February 1, 2002, pursuant to an Order dated November 30, 2001, Verizon South filed the results of the balloting of customers in the Jewell Ridge Exchange regarding their willingness to pay higher rates for the extended local calling referenced herein. Those results favored approval of the ELS.

Pursuant to the provisions of § 56-484.2 of the Code of Virginia, a poll of the customers in the Big Prater, Davenport, Honaker, and Lebanon Exchanges was not required because the proposed rate increase for one-party residential customers did not exceed five percent of the existing one-party monthly residential flat rate.

By Order dated June 25, 2002, the Commission directed Verizon South and Verizon Virginia to publish notice **of** the proposed extension of local service to their customers in the Big Prater, Davenport, Honaker, and Lebanon Exchanges and permit **such** customers to file comments and requests for hearing. Proofs of notice were filed on July 18, 2002, as required by the above-referenced Order. **No** comments or requests for hearing were filed.

On September 4, 2002, the Staff filed its report in the above-captioned matter. In that report, the Staff recommended that the Commission approve ELS between Verizon South's Jewell Ridge and Big Prater Exchanges as well as between **its** Jewell

Ridge Exchange and Verizon Virginia's Davenport, Honaker, and Lebanon Exchanges.

NOW THE COMMISSION, having considered the matter and applicable law, is of the opinion and finds that the above-captioned petition should be approved as recommended by the Staff.

Accordingly, IT IS ORDERED THAT:

(1) The proposed extension of local service from Verizon South's **Jewell** Ridge Exchange to its Big Prater Exchange and from the Jewell Ridge Exchange to Verizon Virginia's Davenport, Honaker, and Lebanon Exchanges shall be implemented.

(2) Verizon South and Verizon Virginia shall file the tariff revisions necessary for the proposed extensions of local service.

(3) Since there is nothing further to come before the Commission, this case is dismissed and removed from the Commission's docket of active cases.

AN ATTESTED COPY hereof shall be sent by the **Clerk** of the Commission to: Lydia R. Pulley, Vice President, General Counsel, and Secretary, Verizon Virginia Inc., 600 East Main Street, Suite 1100, Richmond, Virginia 23219-2441; John R. Young, HCR 66, Box 382, Jewell Ridge, Virginia 24662; Charlie H Bond, Specialist - Regulatory, Verizon Virginia Inc., 600 East Main Street, Eleventh Floor, Richmond, Virginia 23219-2441;

C. Meade Browder, Jr., Senior Assistant Attorney General,
Division of Consumer Counsel, Office of Attorney General,
900 East Main Street, Second Floor, Richmond, Virginia 23219;
and to the Commission's Office of General Counsel and Division
of Communications.

A True Copy
Tested:

Joel H. Peck
Clerk of the
State Corporation Commission

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
DIVISION OF COMMUNICATIONS

PUBLIC NOTICE REPORT OF
LARRY J. KUBROCK

PUC-2001-00220

PETITION OF VERIZON SOUTH INC.,
FOR EXTENDED SERVICE FROM VERIZON SOUTH INC.'S
JEWELL RIDGE EXCHANGE TO ITS BIG PRATER, RICHLANDS,
AND TAZEWELL EXCHANGES AND TO VERIZON VIRGINIA INC.'S
DAVENPORT, HONAKER AND LEBANON EXCHANGES

September 4, 2002

URGENT 001130

URGENT 001130

**PETITION OF VERIZON SOUTH INC.,
FOR EXTENDED SERVICE FROM VERIZON SOUTH INC.'S
JEWELL RIDGE EXCHANGE TO ITS BIG PRATER RICHLANDS,
AND TAZEWELL EXCHANGES AND TO VERIZON VIRGINIA INC.'S
DAVENPORT, HONAKER AND LEBANON EXCHANGES**

CASE NO. PUC-2001-00220

BACKGROUND

In response to a petition filed pursuant to § 56-484.2 of the Code of Virginia, Verizon South Inc. ("Verizon South") surveyed its Jewell Ridge customers for Extended Local Service ("ELS") into its Big Prater,¹ Richlands, and Tazewell exchanges and Verizon Virginia Inc. ("Verizon Virginia") Davenport, Honaker, and Lebanon exchanges. On February 1, 2002, Verizon filed the results of the balloting, which favored the extended calling plan. The ballot results were as follows:

Total Ballots Mailed	541
Customers Responding	156 (28.8%)
Number of Responses:	
Yes	102 (65.4%)
No	54 (34.6%)

The proposal for ELS met the polling requirements of § 56-484.2.

A poll of the customers in the Big Prater, Davenport, Honaker, and Lebanon exchanges was not required because the proposed rate increase for one-party residential customers did not exceed five percent of the existing one-party monthly residential flat rate

¹ Although the Jewell Ridge Exchange petitioners included Tazewell and Richlands in their petition, Jewell Ridge has existing ELS with the exchanges of Tazewell and Richlands. Those exchanges were not, therefore, included in the cost study, original ballot, or Order Prescribing Notice.

The Commission issued *an* Order Prescribing Notice of the proposed ELS route on June 25, 2002. The Company was ordered to furnish notice as display advertising in newspapers of general circulation in the Verizon South exchange of Big Prater and the Verizon Virginia exchanges of Davenport, Honaker and Lebanon and to provide proof of notice on or before August 2, 2002. ~~On~~ July 18, 2002, Verizon filed proof of notice as required.

Affected telephone customers were given until August **23**, 2002, to file comments or requests for a hearing on the proposal. No comments or **requests** for hearing were received.

RECOMMENDATION

The Staff recommends that the Commission approve ELS between the Jewell Ridge Exchange and the exchanges of Davenport, Honaker and Lebanon

ARTICLE 4.

Extension and Reduction of Telephone Service

§ 56-484.2. Extension **or** reduction **upon poll of** certain subscribers.

— **A.** Upon petition of five percent but in no case **less** than twenty-five of the subscribers in an established telephone exchange for an extension or reduction of their local service area to include or exclude **a** contiguous local exchange or exchanges, or upon resolution of the governing body of a county for a countywide local service area, the Commission shall estimate the approximate change in the monthly rate for service which will result from such extension or reduction. In the case of a governing body resolution for countywide calling, the Commission, prior to estimating the approximate rate change, shall determine which exchanges within the county have a community of interest calling percentage that is fifty percent or greater in at least one direction to at least one other exchange within the county. The Commission shall then undertake to estimate the approximate change in the monthly rate for service that will result from such expanded local calling area for each such exchange. The Commission shall order the affected company or companies to poll those subscribers whose monthly rate for service would change if the proposed changes were adopted. However, polls shall not be required in the exchange or exchanges to which the petitioners desire an extension of local service if (i) any resulting rate increases in any twelve-month period do not, in the aggregate, exceed five percent of the existing monthly one-party residential flat rate service for the affected exchange to which the petitioners desire an extension of local service or (ii) any resulting rate increases in any twelve-month period, in the aggregate, exceed five percent solely due to rate regrouping. No more than one petition for a poll from the same group of subscribers or resolution from the governing body of a county shall be considered by the Commission during any three-year period. For purposes of determining the exchanges that will be polled pursuant to this subsection, "*community of interest calling percentage*" means the percentage of customers in an exchange that make one or more calls per month to another exchange within the county.

B. If a poll is required pursuant to subsection **A** and a majority of the subscribers are in favor of the proposed change, or if the Commission determines that a majority of subscribers voting are in favor of the proposed change, the Commission shall order the extension or reduction of their local service area. For the purposes of this section, the number of subscribers in an established telephone exchange shall be deemed to be the number of subscribers in an exchange as of January 1 of the calendar year when the petition is submitted to the Commission. Ballots polling subscribers on a proposed change in local service area shall be counted sixty days after being mailed and the results certified to the Commission.

C. If a poll is not required pursuant to subsection **A**, the Commission shall require notice to customers in exchanges in which polls are not required and shall convene a hearing on the proposed extension or reduction of the local calling area if the lesser of five percent or 150 of the customers within such exchanges request a hearing. The Commission may convene a hearing under this subsection on its own motion without regard to the number of customers who request a hearing.

D. Where the governing body of a county passes a resolution for a countywide local service area under subsection **A** and the poll for such service is defeated, the governing body shall reimburse the affected company or companies for the costs of the poll.

E. The Commission shall give the highest priority to petitions or resolutions presented under subsection **A** that involve exchanges in rural areas. (1976, c. 265; 1978, c. 232; 1985, c. 382; 1990, c. 339; 1993, c. 974; 1994, cc. 180, 347; 1995, c. 466.)

The **1994** amendments. — The 1994 amendment by c. 180, deleted the former next-to-last sentence in subsection **A**, which provided "If subscriber polls *are* not required, the Commission shall proceed pursuant to the provisions of § 56-237.2"; and added subsection **C**.

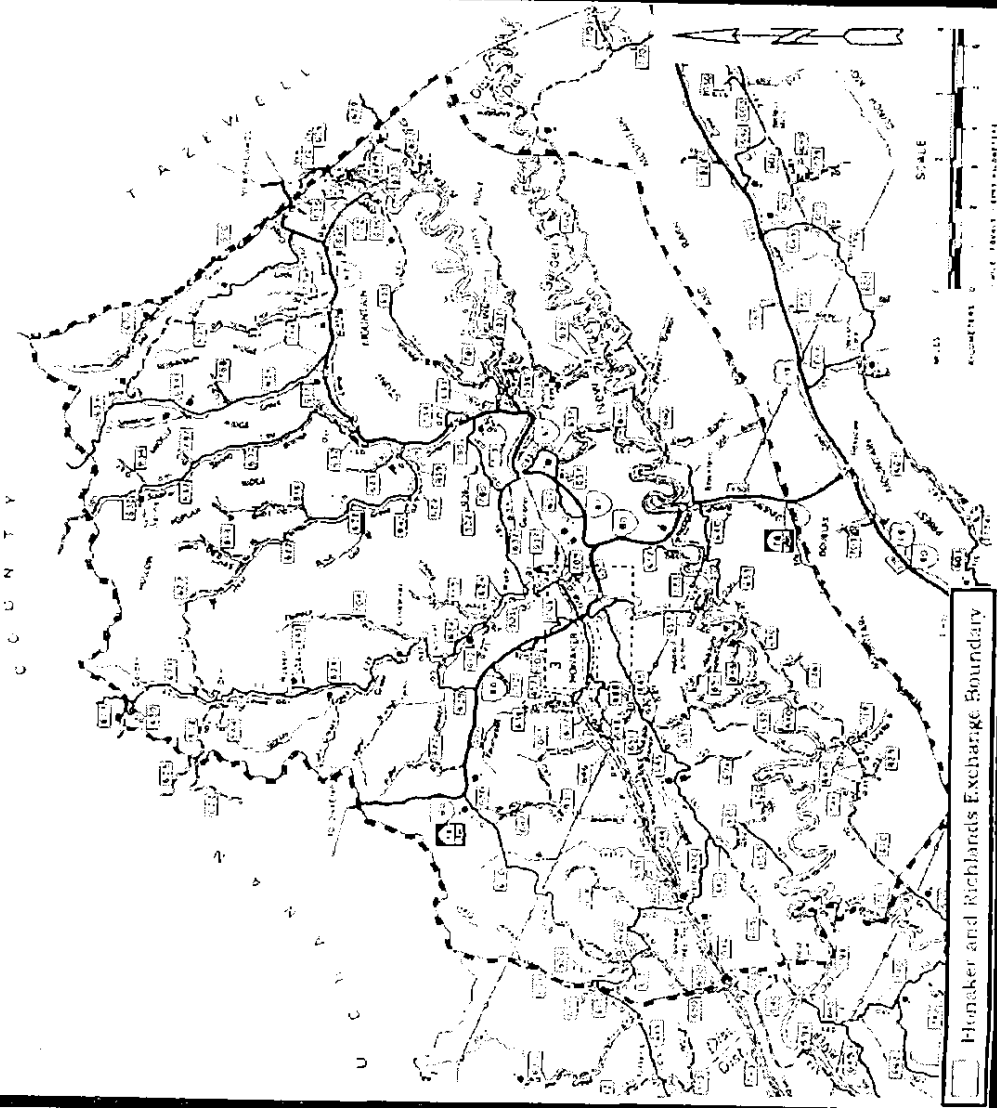
1994 amendment by c. 347, in the first sentence of subsection **B**, deleted "that more than fifty percent of the subscribers have voted in the poll **and**" following "determines," **and** substituted "subscribers" for "those."

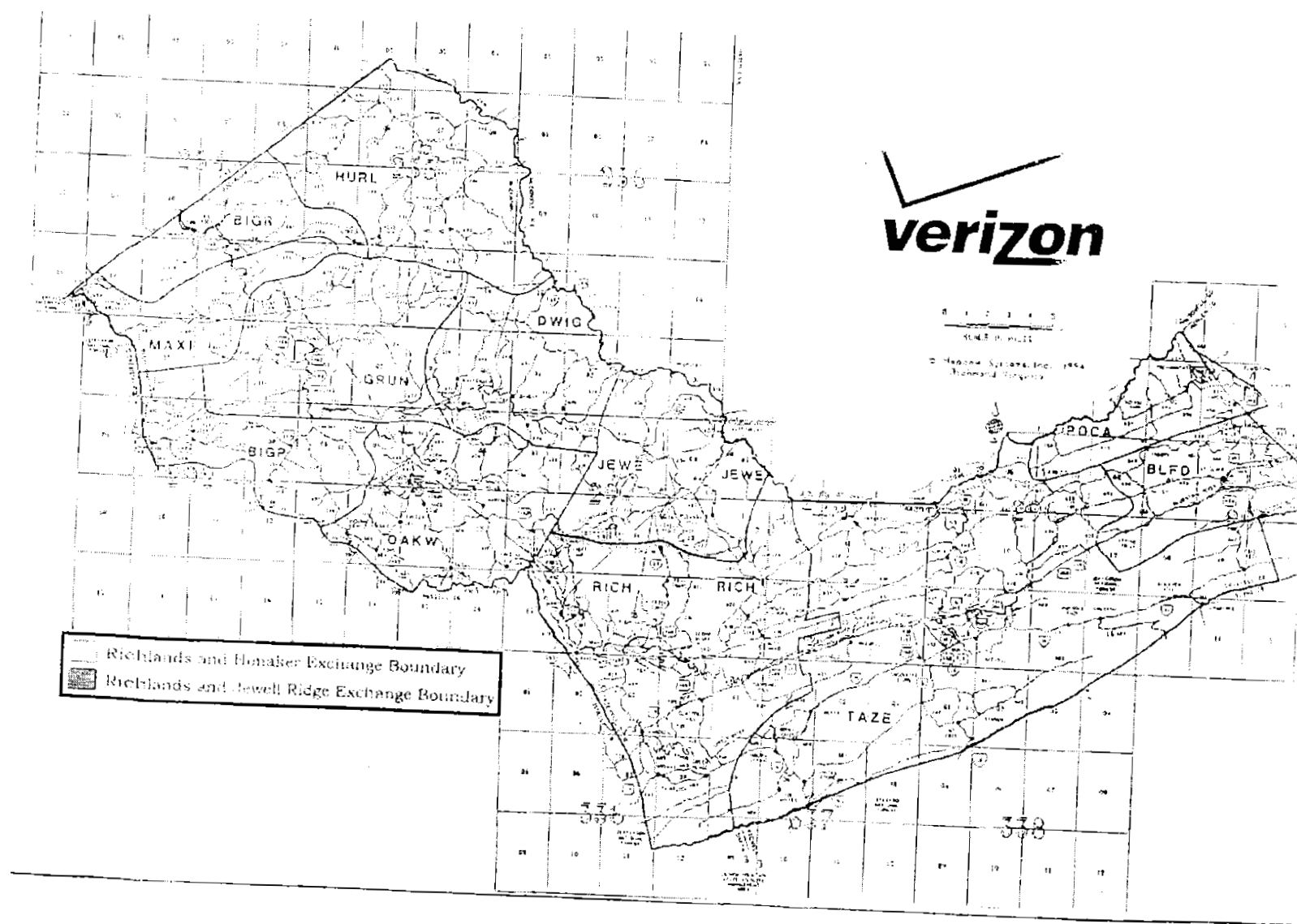
The **1995** amendment, in subsection **A**, inserted "or upon resolution of the governing body of a county for a countywide local service **area**" in the first sentence; added the present second and third sentences; inserted "or resolution from the governing body of a county" in the present sixth sentence, and added the seventh sentence; and added subsections **D** and **E**.



Exchange Map Date
DECEMBER 1, 1993

EXCHANGE AREA
HONAKER






























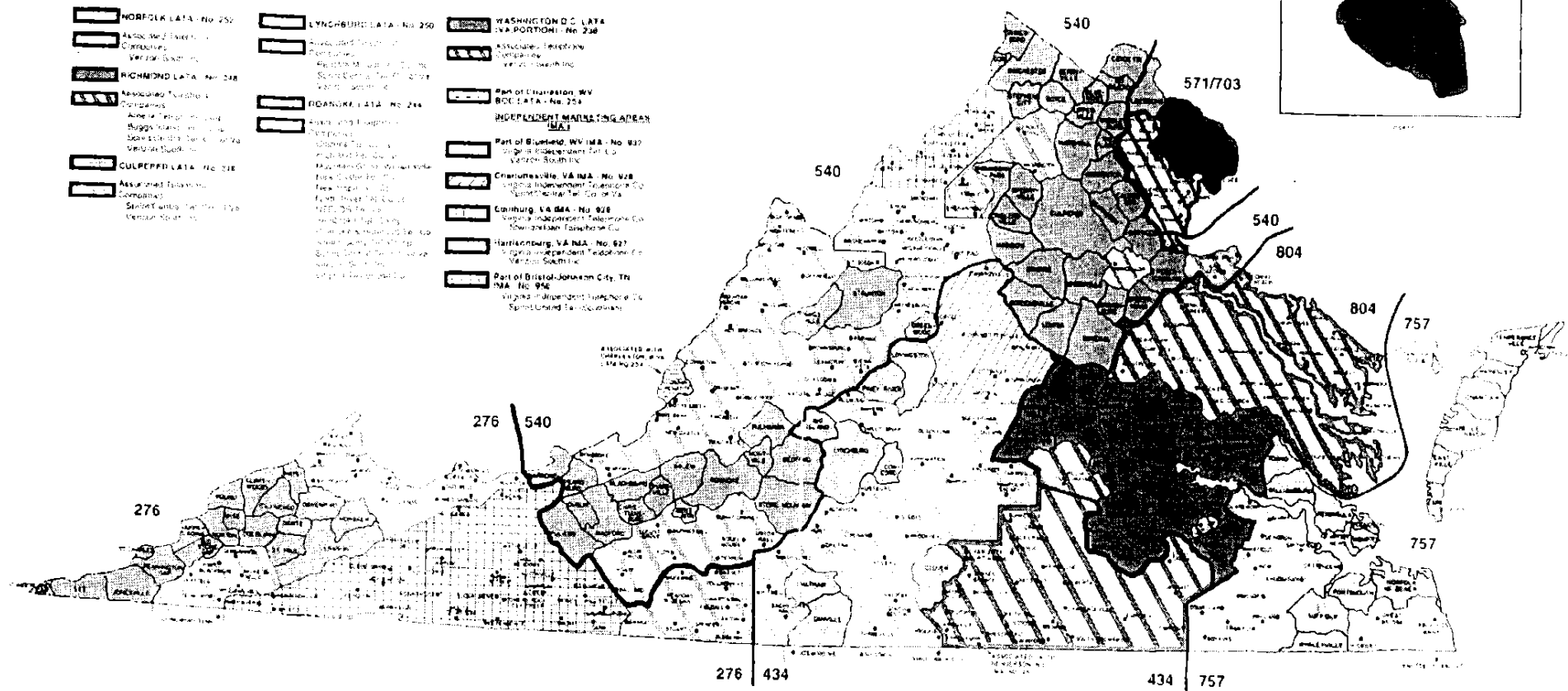


Verizon Virginia Inc.

LOCAL ACCESS TRANSPORT AREAS AND INDEPENDENT MARKETING AREAS

Including Independent Telephone Company Areas
Associated with LATAs

 NORFOLK LATA - No. 252	 LYNCHBURG LATA - No. 250	 WASHINGTON D.C. LATA VA PORTHOF - No. 238
 Associated Telephone Companies Verizon Southern	 Associated Telephone Companies Verizon Southern	 Associated Telephone Companies Verizon Southern
 RICHMOND LATA - No. 248	 ROANOKE LATA - No. 244	 Part of Charleston, WV BCC LATA - No. 254
 Associated Telephone Companies Verizon Southern	 Associated Telephone Companies Verizon Southern	 INDEPENDENT MARKETING AREAS (IMA)
 CULPEPPER LATA - No. 216	 Associated Telephone Companies Verizon Southern	 Part of Bluefield, WV IMA - No. 837
 Associated Telephone Companies Verizon Southern	 Associated Telephone Companies Verizon Southern	 Charlottesville, VA IMA - No. 828
 Associated Telephone Companies Verizon Southern	 Associated Telephone Companies Verizon Southern	 Conning, VA IMA - No. 828
 Associated Telephone Companies Verizon Southern	 Associated Telephone Companies Verizon Southern	 Harrisonburg, VA IMA - No. 827
 Associated Telephone Companies Verizon Southern	 Associated Telephone Companies Verizon Southern	 Part of Bristol-Johnson City, TN IMA - No. 956



VA3 CONTINUES THE
WASHINGTON METROPOLITAN LATA AREA



Request for Limited Modification of LATA Boundaries to Provide ELCS Between Verizon South Inc.'s Jewell Ridge and Verizon Virginia Inc.'s Lebanon Rate Exchanges

- (1) Type of Service
Traditional Local Service, Non Optional ELCS
- (2) Direction of Service
Two-way
- (3) Exchanges Involved
ELCS between Verizon South Inc.'s Jewell Ridge exchange located in the Bluefield, West Virginia Independent Market Area and Verizon Virginia Inc.'s Lebanon exchange located in the Roanoke, Virginia LATA
- (4) Name of Carriers
Jewell Ridge - Verizon South Inc.
Lebanon - Verizon Virginia Inc.
- (5) State Commission Approval
The Virginia State Corporation Commission issued a Final Order on October 4, 2002 approving ELCS for this route. **A** copy of the Final Order **is** attached.
- (6) Number of Network Access Lines
Jewell Ridge Exchange - **617**
Lebanon Exchange - 6,529
- (7) Usage Data
Messages per main station per **month**
Jewell Ridge to Lebanon - 2.08
Lebanon to Jewell Ridge - 0.18

Percent of subscribers making calls
Jewell Ridge to Lebanon - Data not available
Lebanon to Jewell Ridge - **Data** not available
- (8) Poll Results
Jewell Ridge to Lebanon
Sixty-five percent of those responding voted for ELCS.
Lebanon to Jewell Ridge
Lebanon customers received public notice by newspaper display advertisement. No comments or requests for public **hearing were** received.

(8) Poll Results (Continued)

ELCS Rate Increase - Jewell Ridge

Residential

Flat Rate	\$1.73
Lifeline Service	\$1.73
Exchange Only <i>Service</i>	\$1.56
Economy Measured	50.86

Business

Flat Rate	\$4.10
Flat Key Line Service	\$4.10
Flat Rare Trunk	\$8.21
Measured Single Line	52.88
Measured Key Line	\$2.88
Measured Trunk	\$5.74

ELCS Rate Increase - Lebanon

Residential

Flat Rate	\$0.01
Message Rate	\$0.01
Measured Rate	\$0.01
Economy Rate	\$ 0.00
Exchange Only Rate	\$0.01

Business

Flat Rate Line	\$0.03
Message Rate Line	\$0.01
Measured Rate Line	\$0.01
Flat PBX Trunk	\$ 0.04
Message PBX Trunk	\$ 0.01
Measured PBX Trunk	\$ 0.01

(9) Community of Interest Statement

Jewell Ridge is a small rural exchange located in Buchanan and Tazewell Counties in southwest Virginia with approximately 600 access lines. The Jewell Ridge exchange is part of the Bluefield, West Virginia Independent Market Area. The Lebanon exchange is located to the south and west of Jewell Ridge in Russell County and serves approximately 6,500 customers. Jewell Ridge is located in the Roanoke, Virginia LATA. Community of interest is primarily from Jewell Ridge to Lebanon with interest being commercial/retail, employment and medical. The Russell County Medical Center located in Lebanon offers comprehensive services that include 24-hour emergency care, intensive care, pediatrics, and physical therapy to the area including Jewell Ridge. There are 20 physicians and 2 dentists that maintain a practice in Russell County. Numerous retail and commercial shopping opportunities are available in Russell County for Jewell Ridge customers. The county has four shopping centers and 345 retail and service-related businesses. The Town of Lebanon serves as the commercial center for the county with over 150 retail establishments in the downtown area. The Lebanon exchange and Russell County area offer many employment opportunities for the area including Jewell Ridge. Major employers include Lear Corporation, Lebanon Apparel Corporation and Teleflex Automotive Group, which offer employment to over 1,100 area residents. In summary, ELCS will enhance local communications between Jewell Ridge and the nearby commercial, medical and employment center of Lebanon in Russell County.

(10) Maps

Maps are attached for the Jewell Ridge, Richlands and Lebanon exchanges,

(11) Other Pertinent Information

Chronology

On February 22, 2001, Verizon South Inc.'s Jewell Ridge exchange subscribers petitioned the Virginia State Corporation Commission for Expanded Local Calling Service (ELCS) to Verizon Virginia Inc.'s Lebanon exchange. The Commission directed Verizon South to determine the change in monthly rates to provide ELCS from Jewell Ridge to Lebanon. Verizon South surveyed all of its Jewell Ridge subscribers regarding their willingness to pay the additional rates as outlined in (8) above. Sixty-five percent of the subscribers responding voted favorably.

Chronology (Continued)

The Commission ~~then~~ directed Verizon Virginia to ~~determine rates~~ for ELCS calling from Lebanon to Jewell Ridge. The Lebanon to Jewell Ridge cost study was accepted by the Commission. On June 25, 2002, the Commission issued an Order Prescribing Notice for the Lebanon exchange. Public notice was provided to Lebanon customers via newspaper display advertisement. The customer ~~comment~~ period was July 12, 2002 through August 23, 2002. No comments or requests for public hearing were received ~~from~~ Lebanon customers.

Both surveys and their results ~~met~~ the requirements for implementation ~~as~~ outlined in Section 56-484.2 of ~~the~~ Virginia State Code.

On October 4, 2002, the Virginia State Corporation Commission **issued a** Final Order approving Expanded Local Calling **Service** between Jewell Ridge and Lebanon.

Virginia State Code, Section 56-484.2

This section of the Virginia State Code allows customers to petition the State Corporation Commission for ELCS. **A** copy of this section is attached.

Attachments

Virginia State Corporation Commission Final **Order** in Case No. PUC-2001-00220 dated October 4, 2002.

Virginia State Corporation Commission Division of Communications Staff Report of Larry Kubrock dated September 4, 2002

Maps **of** the Jewell Ridge, Richlands and Lebanon rate exchanges

Virginia LATA map

Virginia State Code, Section 56-484.2

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

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AT RICHMOND, OCTOBER 4, 2002

PETITION OF

VERIZON SOUTH INC

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On February 22, 2001, telephone customers in Verizon South Inc.'s ["Verizon South") Jewell Ridge Exchange petitioned the State Corporation Commission ["Commission") for extended local service ("ELS") to Verizon South's Big Prater, Richlands, and Tazewell Exchanges and Verizon Virginia Inc.'s ("Verizon Virginia") Davenport, Honaker, and Lebanon Exchanges.¹ On October 24, 2001, the Commission Staff accepted a cost study from Verizon South that was **used** to estimate the approximate change in monthly rates that would result from the extension of local calling.

¹ Although the Jewell Ridge Exchange Petitioners included Tazewell and Richlands in their petition, Jewell Ridge has existing ELS with the exchanges of Tazewell and Richlands. Those exchanges were not, therefore, included in the cost study, original ballot, or Order Prescribing Notice and will ~~not~~, therefore, be addressed in this proceeding.

On February 1, 2002, pursuant to an Order dated November 30, 2001, Verizon South filed the results of the balloting of customers in the Jewell Ridge Exchange regarding their willingness to pay higher rates for the extended local calling referenced herein. Those results favored approval of the ELS.

Pursuant to the provisions of § 56-484.2 of the Code of Virginia, a poll of the customers in the Big Prater, Davenport, Honaker, and Lebanon Exchanges was not required because the proposed rate increase for one-party residential customers did not exceed five percent of the existing one-party monthly residential flat rate.

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NOW THE COMMISSION, having considered the matter and applicable law, is of the opinion and finds that the above-captioned petition should be approved as recommended by the Staff.

Accordingly, *IT IS ORDERED THAT:*

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C. Meade Browder, Jr., Senior Assistant Attorney General,
Division of Consumer Counsel, Office of Attorney General,
900 **Cast** Main Street, Second **Floor**, Richmond, Virginia 23219;
and to the Commission's Office of General **Counsel** and Division
of Communications.

A True Copy
Teste:

Joel H. Feek
Clerk of the
State Corporation Commission

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
DIVISION OF COMMUNICATIONS

PUBLIC NOTICE REPORT OF
LARRY J. KUBROCK

PUC-2001-00220

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JEWELL RIDGE EXCHANGE TO ITS BIG PRATER, RICHLANDS,
AND TAZEWELL EXCHANGES AND TO VERIZON VIRGINIA INC.'S
DAVENPORT, HONAKER AND LEBANON EXCHANGES**

September **4,2002**

2002 SEP -5 11 46

URGENT COMM

**PETITION OF VERIZON SOUTH INC.,
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DAVENPORT, HONAKER AND LEBANON EXCHANGES**

CASE NO. PUC-2001-00220

BACKGROUND

In response to a petition filed pursuant to § 56-484.2 of the Code of Virginia, Verizon South Inc. ("Venzon South") surveyed its Jewell Ridge customers for Extended Local Service ("ELS") into its **Big** Prater,¹ Richlands, and Tazewell exchanges and Verizon Virginia Inc. ("Verizon Virginia") Davenport, Honaker, and Lebanon exchanges. On February 1, 2002, Verizon filed the results of the balloting, which favored the extended calling plan. The ballot results **were** as follows:

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Affected telephone customers were given until **August 23, 2002**, to file comments or requests for a hearing on the proposal. No comments or requests for hearing were received.

RECOMMENDATION

The Staff recommends that the Commission approve ELS between the Jewell Ridge Exchange and the exchanges of Davenport, Honaker and Lebanon.

ARTICLE 4.

Extension and Reduction of Telephone Service

§ 56-484.2. Extension or reduction upon poll of certain subscribers.

– **A.** Upon petition of five percent but in no case less than twenty-five of the subscribers in an established telephone exchange for an extension or reduction of their local service area to include or exclude a contiguous local exchange or exchanges, or upon resolution of the governing body of a county for a countywide local service area, the Commission shall estimate the approximate change in the monthly rate for service which will result from such extension or reduction. In the case of a governing body resolution for countywide calling, the Commission, prior to estimating the approximate rate change, shall determine which exchanges within the county have a community of interest calling percentage that is fifty percent or greater in at least one direction to at least one other exchange within the county. The Commission shall then undertake to estimate the approximate change in the monthly rate for service that will result from such expanded local calling area for each such exchange. The Commission shall order the affected company or companies to poll those subscribers whose monthly rate for service would change if the proposed changes were adopted. However, polls shall not be required in the exchange or exchanges to which the petitioners desire an extension of local service if (i) any resulting rate increases in any twelve-month period do not, in the aggregate, exceed five percent of the existing monthly one-party residential flat rate service for the affected exchange to which the petitioners desire an extension of local service or (ii) any resulting rate increases in any twelve-month period, in the aggregate, exceed five percent solely due to rate regrouping. No more than one petition for a poll from the same group of subscribers or resolution from the governing body of a county shall be considered by the Commission during any three-year period. For purposes of determining the exchanges that will be polled pursuant to this subsection, "*community of interest calling percentage*" means the percentage of customers in an exchange that make one or more calls per month to another exchange within the county.

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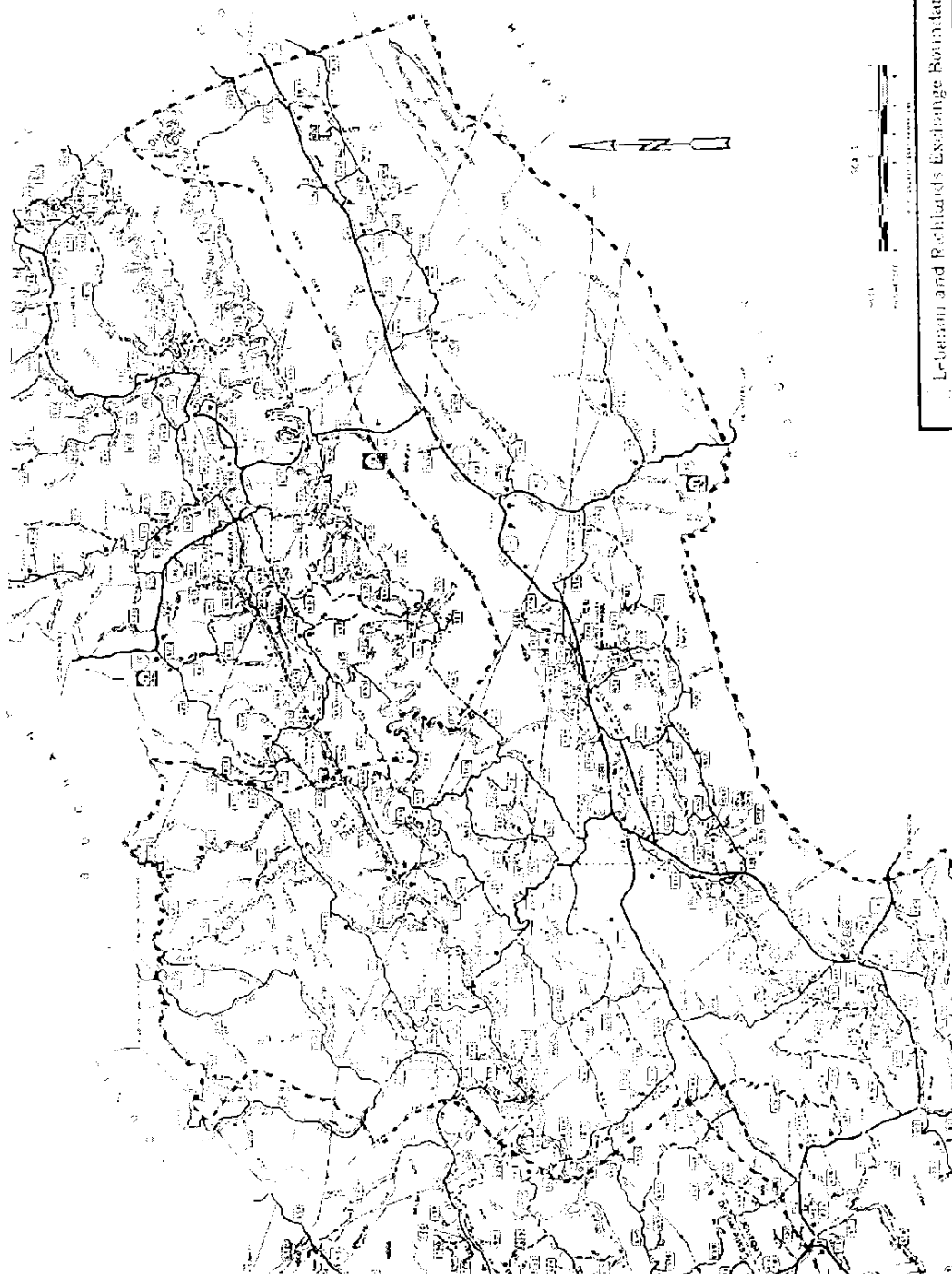
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The 1994 amendments. – The 1994 amendment by c. 180, deleted the former next-to-last sentence in subsection **A**, which provided: "If subscriber polls are not required, the Commission shall proceed pursuant to the provisions of § 56-237.2"; and added subsection **C**.

1994 amendment by c. 347, in the first sentence of subsection **B**, deleted "that more than fifty percent of the subscribers have voted in the poll and" following "determines." and substituted "subscriben" for "hose."

The 1995 amendment, in subsection **A**, insened "or upon resolution of the governing body of a county for a countywide local service area" in the first sentence; added the present second and third sentences; insened "or resolution from the governing body of a county" in the present sixth sentence, and added the seventh sentence; and added subsections **D** and **E**.



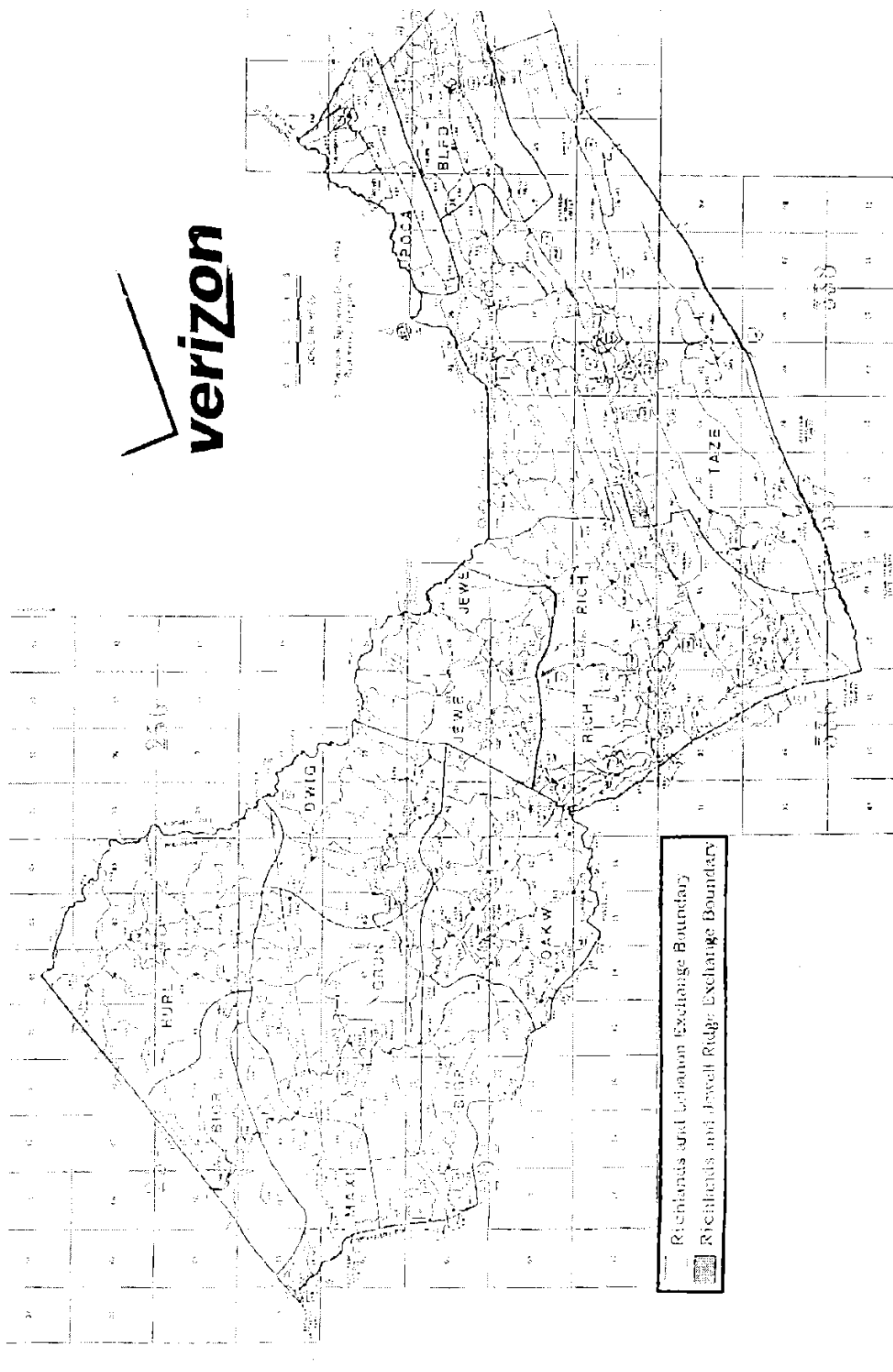
Exchange Map 0-17
DECEMBER 1990

[illegible]

EXCHANGE AREA

LEBANON:

Lebanon and Richards Exchange Boundary



LOCAL ACCESS TRANSPORT AREAS AND INDEPENDENT MARKETING AREAS

[illegible]